

Indicators of Subrecipient and Vendor Relationships

| Factor | Vendor | Subrecipient |
|-----------------------------------|--|--|
| Activity ¹ | Sell deliverables (goods/services) | Provide services |
| Assistance Arrangement | Buyer-seller | Financial assistance to operate a program |
| Closeout Package | Final invoice | Comprehensive |
| Control | Control is outcome focused | Control is on process |
| Development Costs | Absorbed | Controlled |
| Extent of Flexibility | Bound to adhere to specific contract terms | Latitude to make decision within terms of agreement |
| Federal Rules | N/A | Compliance |
| On-the-Job Training | Subgrantee developed (direct employer award) | Award to broker |
| Payment Basis ² | Is paid for specific deliverable | Is paid for services whether expensed as a deliverable or not |
| Product | Specific outcomes | Operate a program |
| Performance Measured ³ | Against the specific requirements of contract | Against the performance outcomes of the financial assistance award |
| Product Development | Develops product and delivers from inventory | Controls development |
| Public Policy | Contract specific clauses | Standard statement of assurances |
| Purpose of the Award | To provide specific goods or services | To carry out a program goal |
| Receipt of Funds | Number of items delivered | Costs incurred |
| Risk | Risk to vendor | Share risk with awarding agency |
| Type of Training Referral | Slotting on an individual referral basis | Filling a class-sized training program |
| Type of Market | For sale within normal business operation; existing product tailored to the program solicitation | Customized for specific program purposes |
| Type of Product | Provide specific product or service ancillary to the Federal program | Design a program to meet a broader goal such as performance outcomes |

¹ There may be instances where it is possible to obtain the same type of services under either a vendor or a subrecipient award.

² Federal reform efforts are now shifting emphasis from paying for process to paying for results. Such performance- and outcome-based payments are possible under both vendor and subrecipient awards.

³ Same as 2 above.